

The following report is based on said time-frame: 01/01/2020 - 03/31/2020

Sources of data include:

- Facebook Invoices (not to be confused with accruals)
 - SaaSAdmin Payments
 - SaaSAdmin Accounts

This report relies heavily on source attribution and the data that exists in the SaaSAdmin tables that were taken from the front-end UI.

Based on the nature of the source data, it is assumed that the method in which this has been captured has changed over time. It is also assumed that this is part of a form field process that requires manual human input.

Based on these assumptions, it is advised to utilize more reliable methods such as programmatic means to capture this data in the future.

An important consideration about this report is that **revenue** can be viewed in two ways.

1st, it can be viewed when it was <u>received</u>.
2nd, it can be viewed based on when the <u>customer was acquired</u>.

To exemplify the differences between these two approaches, please observe the two revenue numbers below to see how they compare when using different dates to evaluate **revenue**

\$1.18M

\$551K

Revenue based on transaction da...

Revenue based on Account Sign-Up

The former is good for checks and balances and customary in FPnA or accounting based purposes. The latter is good for an on-going evaluation of return on ad-spend.

Special attention should be noted that the down-side of the latter is some products/services may take time to reach mature lifetime value (LTV) meaning the ROAS is volatile in nature. It is therefore recommended only to use that approach when you have historical data to determine a benchmark for expected ROAS.

In this report we will look at both approaches since we are dealing with limited data.

It is highly recommended not to draw any definitive conclusions from this data and that further analysis should be conducted before making conclusions

To set the stage, we will need to be able to make some assumptions/estimations to handle revenue for accounts that have unattributed sources.

These "unknown" sources are listed in more detail below

We will do this to create hypothetical best-case scenarios to compare against worst-case scenarios.

On average Facebook (FB) and Instagram (IG) make up as much as 48% of all attributable revenue. This is not based on the date-range mentioned in Slide 1. This is based on all-time

That is, we observe the quotient from Facebook & Instagram against all revenue that has a "known" source excluding "unknown" revenue.



Medium

Offline Online

unknown

48%

FB/IG as % of all revenue

As previously mentioned, we will use this number later, to help create a scenario for the accounts that have an "unknown" source.

To elucidate details about sources, please observe the derivation tables below from which the full dimension table for sources is used in the data model.

Earned
Paid
Referral
unknown
Word of Mouth

| Medium | Category | Source |
|--------|----------|-----------|
| Online | Paid | Facebook |
| Online | Paid | Instagram |
| Online | Paid | LinkedIn |
| Online | Paid | Twitter |
| Online | Paid | YouTube |

| Medium | Category | Source |
|---------|----------|---------------------|
| Offline | Paid | Airport Advertising |

| Medium | Category | Source |
|---------|----------|--------------------|
| Online | unknown | web |
| unknown | unknown | |
| unknown | unknown | admin_account_form |
| unknown | unknown | Mr WONDERFULLLL |
| unknown | unknown | Other |
| unknown | unknown | sanp |

Keep in mind, that we only have media spend for Facebook which should include Instagram. Because of this limitation, we will not be including revenue for assumed "paid" sources such as YouTube, Twitter, LinkedIn.

Even if it's indeterminate, that all "paid" sources including Facebook & Instagram are not wholly attributed to "paid" but could also be categorized as "earned", we will assume in this model that they are de-facto "paid" to provide a best case-scenario.

Another important consideration about the relationship between media spend and the date accredited for dollars spent on FB/IG is the distinction between accrual and invoice.

Because it is theorized that there is a closer relationship between accrued costs and acquisition, it is advised to use date of accrued spend.

In this model, we only have access to invoices, so we will be using the following total amount which is the sum calculation of Jan 1st 2020 to Mar 31st 2020

\$580K

Spend FB or IG



To begin our analysis let's pose a few questions based on the given time-frame outlined in Slide 1.

Q1) How much revenue are we comparing to the \$580k media spend in each approach?Q2) How much of that revenue is unattributed to a source?Q3) How much of that revenue can be attributed to a source?

Q4) Of attributed revenue how much can be accredited to Facebook and Instagram? **Q5**) What percent is the 580k in spend of the attributable revenue?

Q6) Based on the 48% we discussed in Slide 2, if we use that to extrapolate a theoretical number from unattributed revenue in addition to attributed FB/IG revenue (for a best-case scenario), what percent then is the 580k of that extrapolated number?

This percent that spend makes up of total attributed revenue in either calculation should be less than 100% if spending less than you are making is important to your business model.

For example, some businesses will risk losing money in the short term for any number of reasons such as proof of concept, new product/service line with an expected ROI after a certain customer adoption or LTV maturity

Based on date of transaction

(streaming revenue model)

\$580K

Spend FB or IG

Q1) How much revenue are we comparing to the \$580k media spend in this approach?

\$1.18M

Revenue based on transaction date

Q2) How much of that revenue is unattributed to a source?

\$355K

Revenue unattributed (unknown sources)

MediumCategorySourceTran Sum - Tran DateOnlineunknown\$297unknownunknown\$247,364unknownunknown\$107,234Total\$354,895

Q3) How much of that revenue can be attributed to a source?

\$826K

Revenue attributed (known sources)

Q4) Of attributed revenue how much can be accredited to Facebook and Instagram?

\$380K

Revenue attributed (FB or IG)

153%

Q5) What percent is the 580k in spend of the attributable revenue?

Spend as % of Rev (FB or IG)

(\$200K)

Net ROAS

153% is comprised of \$580k in spend which goes into \$380k in revenue ("known" sources that purport to be sourced by FB/IG) 1.52 times. Effectively that means for every \$1 dollar being made, \$1 dollar and 50 cents are being spent.

Q6) Based on the 48% we discussed in Slide 2, if we use that to extrapolate a theoretical number from unattributed revenue in addition to attributed FB/IG revenue (for a best-case scenario), what percent then is the 580k of that extrapolated number?

\$550K

48% of unattributed + attributed FB/IG

105%

Spend as % of Revenue

(\$29K)

Net ROAS

105% is comprised of \$580k in spend which goes into \$550k in revenue (\$380 + \$170 where \$170 is 48% of \$355k unattributed revenue) 1.054 times. Effectively that means for every \$1 dollar being made, \$1 dollar and half a cent is being spent.

This is a best case-scenario in Model-1, which was already expected to provide a best-case scenario. We will explore Model 2 in the next slide

Continuing our analysis from Slide 3, we'll ask the same questions but expect different results primarily because all revenue will be based on the date the account signed-up.



Q1) How much revenue are we comparing to the \$580k media spend in each approach? **Q2**) How much of that revenue is unattributed to a source?

Q3) How much of that revenue can be attributed to a source?

Q4) Of attributed revenue how much can be accredited to Facebook and Instagram? **Q5**) What percent is the 580k in spend of the attributable revenue?

Q6) Based on the 48% we discussed in Slide 2, if we use that to extrapolate a theoretical number from unattributed revenue in addition to attributed FB/IG revenue (for a best-case scenario), what percent then is the 580k of that extrapolated number?

This percent that spend makes up of total attributed revenue in either calculation should be less than 100% if spending less than you are making is important to your business model.

For example, some businesses will risk losing money in the short term for any number of reasons such as proof of concept, new product/service line with an expected ROI after a certain customer adoption or LTV maturity

Based on date of account sign-up

(acquisition model)

\$580K

Spend FB or IG

Q1) How much revenue are we comparing to the \$580k media spend in this approach?

\$551K

Revenue based on Account Sign-Up

Q2) How much of that revenue is unattributed to a source?

\$109K

Revenue unanattributed (unknown sources)

| Medium | Category | Source | Tran Sum |
|---------|----------|--------|-----------|
| unknown | unknown | | \$46,099 |
| unknown | unknown | Other | \$62,722 |
| Total | | | \$108,821 |

Q3) How much of that revenue can be attributed to a source?

\$443K

Revenue attributed (known sources)

Q4) Of attributed revenue how much can be accredited to Facebook and Instagram?

Q5) What percent is the 580k in spend of the attributable revenue?

299%

\$194K

Revenue attributed (FB or IG)

(\$385K)

Net ROAS

Spend as % of Rev (FB or IG)

299% is comprised of \$580k in spend which goes into \$194k in revenue ("known" sources that purport to be sourced by FB/IG) 2.98 times. Effectively that means for every \$1 dollar being made, \$2 dollars and 98 cents are being spent.

*Keep in mind, the attributed revenue has a high propensity go up over-time as the life-time value of customers that are retained increases

Q6) Based on the 48% we discussed in Slide 2, if we use that to extrapolate a theoretical number from unattributed revenue in addition to attributed FB/IG revenue (for a best-case scenario), what percent then is the 580k of that extrapolated number?

\$246K

Rev attributed (FB or IG) enriched

235%

Spend as % of Rev (model 2) with .48

(\$333K)

Net ROAS

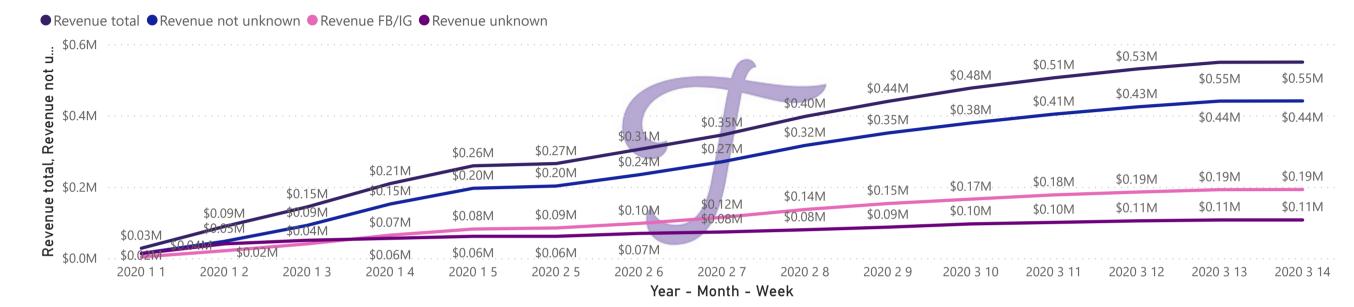
235% is comprised of \$580k in spend which goes into \$246k in revenue (\$194 + \$52.3 where \$52.3 is 48% of \$109k unattributed revenue) 2.46 times. Effectively that means for every \$1 dollar being made, \$1 dollar and 46 cents are being spent.

This is a best case-scenario in Model-2, which is the model presumed to be a most accurate representation of ROAS.

Based on date of account sign-up

(acquisition model)

Payments Rolling Total (gross)



Revenue Totals



Based on date of account sign-up

(acquisition model)

Revenue vs Spend Rolling

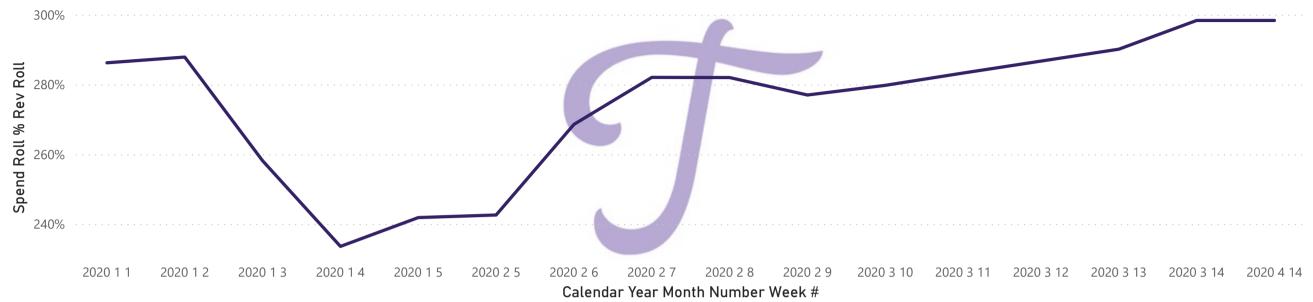


Revenue vs Spend



Based on date of account sign-up (acquisition model)

Spend Roll % Rev Roll by Calendar Year, Month Number and Week



| Calendar Year | Month Number | Week # | Spend FB/IG | Spend Rolling FB/IG | Revenue FB/IG | Spend Roll vs Rev Roll % |
|---------------|--------------|--------|-------------|---------------------|---------------|--------------------------|
| 2020 | 1 | 1 | \$14,400 | \$14,400 | \$5,028 | 286.4% |
| 2020 | 1 | 2 | \$50,400 | \$64,800 | \$22,498 | 288.0% |
| 2020 | 1 | 3 | \$43,200 | \$108,000 | \$41,810 | 258.3% |
| 2020 | 1 | 4 | \$46,800 | \$154,800 | \$66,222 | 233.8% |
| 2020 | 1 | 5 | \$46,800 | \$201,600 | \$83,300 | 242.0% |
| 2020 | 2 | 5 | \$8,100 | \$209,700 | \$86,381 | 242.8% |
| 2020 | 2 | 6 | \$56,700 | \$266,400 | \$99,131 | 268.7% |
| 2020 | 2 | 7 | \$61,200 | \$327,599.66 | \$116,084 | 282.2% |
| 2020 | 2 | 8 | \$62,100 | \$389,699.66 | \$138,111 | 282.2% |
| 2020 | 2 | 9 | \$39,600 | \$429,299.66 | \$154,891 | 277.2% |
| 2020 | 3 | 10 | \$38,700 | \$467,999.66 | \$167,184 | 279.9% |
| 2020 | 3 | 11 | \$39,600 | \$507,599.66 | \$179,075 | 283.5% |
| 2020 | 3 | 12 | \$28,800 | \$536,399.66 | \$186,974 | 286.9% |
| 2020 | 3 | 13 | \$26,087 | \$562,486.77 | \$193,769 | 290.3% |
| 2020 | 3 | 14 | \$17,100 | \$579,586.77 | \$194,147 | 298.5% |
| Total | | | \$579,587 | \$579,586.77 | \$194,147 | 298.5% |

| Year Month | Days for Each Week | |
|-----------------|---|---|
| □ 2020 1 | □ 2020 1 | |
| | | |
| 1 | 1/2/2020, 1/3/2020, 1/4/2020 | 3 |
| 2 | 1/5/2020, 1/6/2020, 1/7/2020, 1/8/2020, 1/9/2020, 1/10/2020, 1/11/2020 | 7 |
| 3 | 1/12/2020, 1/13/2020, 1/14/2020, 1/15/2020, 1/16/2020, 1/17/2020, 1/18/2020 | 7 |
| 4 | 1/19/2020, 1/20/2020, 1/21/2020, 1/22/2020, 1/23/2020, 1/24/2020, 1/25/2020 | 7 |
| 5 | 1/26/2020, 1/27/2020, 1/28/2020, 1/29/2020, 1/30/2020, 1/31/2020 | 6 |
| □ 2020 2 | | |
| | | |
| 5 | 2/1/2020 | 1 |
| 6 | 2/2/2020, 2/3/2020, 2/4/2020, 2/5/2020, 2/6/2020, 2/7/2020, 2/8/2020 | 7 |
| 7 | 2/9/2020, 2/10/2020, 2/11/2020, 2/12/2020, 2/13/2020, 2/14/2020, 2/15/2020 | 7 |
| 8 | 2/16/2020, 2/17/2020, 2/18/2020, 2/19/2020, 2/20/2020, 2/21/2020, 2/22/2020 | 7 |
| 9 | 2/23/2020, 2/24/2020, 2/25/2020, 2/26/2020, 2/27/2020, 2/28/2020, 2/29/2020 | 7 |
| □ 2020 3 | | |
| ─ March | | |
| 10 | 3/1/2020, 3/2/2020, 3/3/2020, 3/4/2020, 3/5/2020, 3/6/2020, 3/7/2020 | 7 |
| 11 | 3/8/2020, 3/9/2020, 3/10/2020, 3/11/2020, 3/12/2020, 3/13/2020, 3/14/2020 | 7 |
| 12 | 3/15/2020, 3/16/2020, 3/17/2020, 3/18/2020, 3/19/2020, 3/20/2020, 3/21/2020 | 7 |
| 13 | 3/22/2020, 3/23/2020, 3/24/2020, 3/25/2020, 3/26/2020, 3/27/2020, 3/28/2020 | 7 |
| 14 | 3/29/2020, 3/30/2020, 3/31/2020 | 3 |

